

SWANSON MINERALS COMPANY
2051 Swanson Circle
Moab, Utah 84532

Aug. 17, 1993

RECEIVED

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State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 Triad Center
Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

Dear Holland Shepard, Senior Reclamation Specialist:

RE: Site Inspection, Cub Mine, Kelmine Corp., M/037/044
July 16, 1993, Minerals File

Some clarification needs to be made concerning the file report. The abandoned portal above the Cub Mine yard is indeed not part of the Kelmine operation. This decline was driven in the 1950's, and was not any part of the Kelmine Plan Of Operation. The BLM has discussed reclaiming the site and Kelmine agreed, but a conflict in claim ownership covering this portal has become apparent. Kelmine was then asked not to do anything for the BLM. If Kelmine were to do the reclamation on its own accord a Plan of Operation would have to be submitted to the BLM. At this time some type of methodology to cover the portal is trying to be worked out to alleviate the liability from all parties.

UP&L has been contacted and requested to remove the power pole left standing at the vent shaft site. Even though the pole is to be removed Kelmine would like to maintain the powerline right of way to the site. After the pole has been removed the access road will be reclaimed and barricaded. The shaft poses no safety problem as it currently is. The cover over the shaft is made up of two 4x4 wide flange steel beams laid across the opening, covered by a 1/4 inch thick steel plate, which is covered by one foot of rebar reinforced concrete and the whole assembly covered with two feet of dirt and rock to prevent any vehicles from accessing the area. This design was submitted to and approved by DOG&M.

I hope this will satisfy the reclamation requirements and bond release criterion.

Melvin R. Swanson

Melvin R. Swanson
Agent for Kelmine Corp.

cc: Sal Venticinque, BLM, Grand Resource Area